

USAID West Bank and Gaza (WBG)

Program Overview

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WASHINGTON, DC – The United States Agency for International Development (USAID) administers U.S. economic assistance and development programs to foster a stable political and economic environment that will permit a comprehensive and lasting peace in the Middle East. Since the signing of the Oslo Accord in 1993, the U.S. government has committed more than \$1.3 billion in economic assistance to Palestinians living in the WBG. USAID assistance is delivered primarily through direct contracts or grants with U.S. firms and private voluntary organizations (USPVO).

U.S. Interests

The goal of the USAID program is to promote stability and create the groundwork for an eventual peace settlement, resulting in two states, Palestine and Israel, living side by side in peace. An underlying objective of the USAID program is to improve the quality of life for Palestinians.

USAID Programs

The program contributes to sustainable improvements for the Palestinian population living in the West Bank and Gaza by:

- Addressing basic needs (health, food, water and emergency employment);
- Revitalizing the private sector;
- Promoting democratic reform; and
- Building essential infrastructure, institutions and human capital.

Results

Emergency Response: Since the start of the current Intifada in September 2000, USAID has allocated nearly \$300 million to alleviate poverty and unemployment in the West Bank and Gaza by:

- Providing nutritional food baskets to 662,000 people through the International Committee for the Red Cross and the World Food Program.
- Procuring \$5 million worth of medical supplies and pharmaceuticals for Ministry of Health and NGO health care facilities.
- Funding a program to help more than 32,000 children cope with the psychological impact of the on-going conflict.
- Leveraging more than \$17 million in private capital for loans to microenterprises.
- Repairing damaged water systems including, well and pipeline repair; and constructing new water infrastructure benefiting approximately 1,000,000 people living in 80 communities in the WBG.

USAID Fact Sheet

- Generating more than 1.9 million days of employment through USPVO and United Nations Development Program jobs creation programs that improve municipal infrastructure and services.
- Constructing/restoring more than 40 km of critical roads and damaged utility structures while creating more than 500 jobs in Palestinian communities and improving access to commercial centers and services.

Revitalizing the private sector USAID is working to stabilize existing enterprises, invigorate languishing businesses and stimulate the creation of new businesses to contribute to economic growth and job creation by:

- Repairing and replacing equipment severely damaged in the conflict of firms that can sustain or expand employment opportunities.
- Facilitating "last resort" emergency working capital loans to ordinarily viable Palestinian small and medium enterprises (SMEs).
- Providing SMEs technical advice on crisis management and survival strategies.
- Funding nearly 400 local business internships opportunities to recent university graduates.

Promoting democratic reform: USAID is promoting a wide range of reform and democratization efforts within all branches of government as well as civil society by:

- Improving the elected Palestinian Legislative Council's ability to fulfill its legislative, oversight and constituency responsibilities.
- Training scores of Palestinian judges and prosecutors in ethics, intellectual property rights, automated case management and other legal and procedural matters.
- Supporting the formation of two commercial Alternative Dispute Resolution Centers.
- Developing the capacity of the Palestinian Monetary Authority to better supervise the banking industry.
- Assisting the Minister of Finance in strengthening internal audit capacity to route out corruption and fraud.
- Restructuring the Ministry of National Economy to operate more efficiently and better service the private sector.
- Supporting a prospective election process through assessments, technical assistance and support to Palestinian NGOs engaged in civic education
- Funding a wide variety of local NGOs advocating for reform and democratization.

Building essential infrastructure, institutions and human capital

Water Resources: Water consumption among Palestinians is less than half of internationally recommended daily amount for cleaning, drinking and hygiene; consequently, USAID has invested more than \$275 million to:

- Build reservoirs, drill production wells, and install transmission lines that have doubled the amount of water available for 400,000 residents of Bethlehem and Hebron in the West Bank.
- Expand wells and provide for piped-in and cleaner drinking water for 11 villages in the Jenin area of the northern West Bank.
- Establish sufficient wastewater treatment capacity and sewers for about 350,000 Palestinians in Gaza City and help Palestinians better manage their fragile coastal aquifer.

Training and higher education: USAID is increasing higher education and training opportunities for Palestinians by:

- Financing 160 master's degree scholarships in the U.S. in key sectors critical to Palestinian development.
- Funding 300 undergraduate scholarships in Palestinian universities and 160 community college/technical institute scholarships.
- Sponsoring short-term training opportunities in the U.S., at local institutions and other countries, including for 117 West Bank and Gaza IT professionals.

Long-term institutional development programs: Investments in sustainable institutional structures includes:

- Funding a five-year, \$40 million program to improve the health of Palestinian mothers and their children by upgrading the quality of care to women. The program will renovate more than 100 rural health clinics, serving about 350,000 women and their newborn babies, training health care providers and outreach workers, and providing equipment.
- Supporting private sector associations to achieve international standards in accounting and auditing, and to

- participate in trade fairs and missions to increase exports and promote investment.
- Developing the legal and regulatory framework for commercial transactions.

USAID Assistance to West Bank and Gaza- in \$ thousands

Annual Appropriations FY 94 - Through FY 97	75,000
FY 98 Appropriation	85,034
FY 99 Appropriation	74,500
FY 00 Appropriation	85,000
FY 00 Wye Supplemental	400,000 ¹
FY 01 Appropriation	84,813 ²
FY 02 Appropriation	72,000
FY 03 Appropriation	86,200 ³
FY 03 Supplemental	50,000

1 Available over FY 2000-2002 period. \$10 m rescinded in FY 01—reduced total to \$390 m.

2 Reduced to \$70,557

3 Additional \$10 m from Food for Peace, \$1.2 m from Global Development Alliance program.
